

AVIATION TECHNICAL ADVISORY COMMITTEE
MEETING MINUTES
MAY 9, 2002; ONTARIO INTERNATIONAL AIRPORT



1.0 Call to Order

The meeting was called to order at 10:20am by Chair Chris Kunze, Long Beach Airport.

2. 0 Welcome and Introductions

Attendees were welcomed and introductions were made.

3.0 Public Comments

There were no public comments.

4.0: Routine Items

4.1 Approval of Minutes

The minutes from the April 11, 2002 meeting were approved with no comments. Mr. Bob Trimbom, Santa Monica Airport motioned to approve the minutes, Mr. Ron Kochevar, Los Angeles World Airports, seconded the motion.

4.2 ATAC Membership List and Contact Information

There were no changes to the ATAC membership list.

5.0 Project Review

There are no submissions for review.

6.0 Information Items

6.1 Ontario International Airport Overview/ Master Plan Update

Mr. Jens Rivera, Ontario International Airport, welcomed everyone to the airport. Ontario International Airport is part of Los Angeles World Airports. Ontario is different from the other three LAWA airports because the airport is a stand alone facility. The airport pays for itself through landing fees, rents, parking etc.

There was a new terminal completed in 1998 which expanded the number of gates available. However, there is a lack of available office space for staff.

UPS uses Ontario as its West Coast distribution hub. UPS is located on the south side of the airport property. They have also been having 4 weekly cycles to China.

The service area for the airport can range from 3.3 million people to 4.2 million people. The airport's primary market is San Bernardino County, Riverside County, Eastern Los Angeles County and North Orange County. Since September 11, 2001 there has only been a reduction of about 1% in passenger traffic.

The airport ranks 55th in North America and 8th in California (with 2001 passenger enplanements). Concessions are doing well in Terminal 4 where Southwest is the main tenant and poorly in Terminal 3. Because of United Airlines downsizing there is a disproportionate number of passengers in Terminal 4. The airport is looking at possibly relocating some of the carriers to make the usage more even.

Ontario just awarded an FBO contract to Guardian Air, who will be providing a high end service for the carriers. It is owned by a developer in the Inland Empire. They will be located in the Mercury Air hangar.

The airport generates \$5.5 Billion annually in economic impact. The airport also supports about 60,000 jobs.

When LAWA built the terminals at Ontario they didn't have a marketing department. At Van Nuys and LAX there was significant demand so there was no need for marketing. However, at Ontario there was significant expectation that the airport would expand but that didn't happen right away. Ontario now has marketing for international carriers, focusing primarily on the United Kingdom, Canada and Mexico.

The airlines have a major input in what is built and what isn't because of contractual causes.

Mr. Tim Merwin, HNTB, gave a presentation on the Ontario Master Plan process. The Master Plan was started in April 2002. LAWA divided the Master Plan into three phases. The first phase is to create a land use map to assist LAWA in leasing properties.

The second phase begins in October will do the regional assessment. This will have coordination with the SCAG RTP process. Public involvement will be in Phase II.

Phase I will deal with the third runway- do we need it? Can we afford it?

Phase III will be the EIR and alternatives review.

Tim Merwin said that he would be happy to brief ATAC during the process. He also said that there will be close connections with SCAG during the Master Plan process.

Mr. Michael Armstrong, SCAG, said that SCAG coordinated with LAWA in preparing the 2001 Aviation Plan for the RTP.

6.2 AeroMexico Presentation

Ms. Eloisa Valdo, AeroMexico, was standing in for Pat Coppel, who is the station manager at Ontario for AeroMexico.

AeroMexico is the largest provider of air service to, from and within Mexico. The fleet mix consists of B757, B767, MD-80 and DC-9's. The airline is part of the SkyTeam which includes Delta Airlines and Air France. The airline provides a high level of service and has an excellent on time performance record.

The United States to Mexico routes include the new gateways of Ontario, Las Vegas and Salt Lake City.

AeroMexico serves Hermosillo and Guadalajara out of Ontario. These two markets have connections all over Mexico.

The typical fare from Ontario to Mexico is \$220. For Hermosillo, AeroMexico is using a Saab aircraft for the flights. For Guadalajara the airline is using an MD-80. The market out of LAX is very competitive and AeroMexico is anxious to continue growing in Ontario.

Out of Ontario the passenger mix is 70% business and 30% leisure.

Mr. Bob Trimbom asked about the plans for a new airport at Mexico City. Ms. Valdo said that at this point the government is having trouble acquiring the necessary land for the airport.

Ms. Valdo said that September 11 had a very dramatic effect on AeroMexico. She said that business dropped by about 30%, but by November some business

was starting to return. She was happy to report that in January, February and March business has continued to grow.

Mike Armstrong said that SCAG did a survey of travel behavior about 8 years ago. He said that there was a trend that Latino passengers from the Ontario area would take a van service to Tijuana and board flights there. He said that the travel time in the van service was not as important as having a cheaper fare. Ms. Valdo responded that AeroMexico has taken a very proactive approach in trying to keep passengers flying out of Ontario and Los Angeles, rather than driving to Tijuana. To ensure that this happens there should not be a fare difference of more than \$40. If fares are any cheaper out of Tijuana the airline would not be able to survive. Sometimes Tijuana is engaged in price fare wars and AeroMexico has a difficult time competing with some of the larger low cost carriers in that market.

6.3 Small Aircraft Transportation System

The Small Aircraft Transportation System (SATS) is a NASA conceived project that takes place mainly in the long term horizon of 50 years. The idea is that 4 to 10 passenger aircraft will be used to transport passengers between small communities. The vision includes having tens of thousands of these small size aircraft transporting passengers. To make this a reality NASA says that there has to be sufficient advances in small aircraft production, operation, safety and reliability.

The goal of SATS is to reduce congestion at large airports by siphoning off passengers to the smaller GA airports. This would take advantage of the Nation's smaller airports which are currently underused.

NASA asked the Transportation Research Board (TRB) to review the SATS program and give special consideration to whether the net benefits exceed the expenditures that would be necessary to make the idea a reality.

NASA has 3 goals for the program:

- Increase the safety and the utility of operations at small airports lacking traffic control towers, radar surveillance, etc.
- Allow more use of small airports lacking lighting or ground based navigational systems.
- Improve the ability of single-pilot aircraft to operate safely in complex airspace.

Once deployed NASA envisions that this program would divert passengers from congested hub airports to small suburban and remote airports. This diversion would allow for an overall opening up of the Nation's air transportation system.

The conclusion of the TRB review is that SATS will not be an effective way to solve the United State's air transportation problems. The key reasons are indicated below:

- The program would not be affordable for the general public. Only the very wealthy would be able to enjoy this suburban to suburban system. This also creates equity issues by spending money on airport upgrades that only a few people utilize.
- It would be difficult to attract a large number of users. Many of the people flying are business travelers. Businesses tend to be clustered in cities and interact with businesses in other cities. The suburban to suburban approach would have little appeal.
- Limited appeal to price sensitive leisure travelers. The cost would be a limiting factor on price sensitive leisure travelers. People may choose to drive rather than fly if the cost is too much.
- Significant deployment obstacles due to infrastructure constraints. Most of the countries 5,000 small general aviation airports currently have minimal infrastructure and the deployment of this program would require significant upgrades.
- The lack of a valid 'safety plan' in the SATS proposal. SATS proposes large changes to the aviation system- from aircraft design to airspace. These are not supported by any real safety device.
- SATS will do little to aid relieving congestion at hub airports. The number of passengers that could be handled by SATS is nominal and would have little impact on hub choke point airports. In addition, the mixing of SATS and non-SATS aircraft could create airspace design problems.

Ryan Hall said that this could be summed up by asking the question- when was the last time that congestion was relieved by adding more vehicles to the system? At that point Mr. Hall opened up the issue for discussion.

Mr. William Ingraham, San Bernardino County, pointed out that there is still a trend towards smaller personal sized aircraft.

The program is supposed to be an all jet fleet. This is necessary in order to transport passengers across the United States.

A question was asked regarding the effect of September 11 on the plan. Ryan Hall responded that the committee was only able to meet once after September and the focus of that meeting was of course on security issues. The main points that were raised dealt with pilot training. For this system to work there needs to be a substantial increase in the number of pilots and the training required would be extensive.

Mike Armstrong mentioned that Alan Thompson on SCAG staff is working on a corporate aviation study which is in the beginning stages of development. Several ATAC members said that they would like to give input to Alan on the study at the next ATAC meeting.

6.4 SCAG Air Cargo Study

Mike Armstrong began by saying that SCAG staff is busy updating an air cargo study that was last completed ten years ago. It is including an analysis of some successful all cargo airports through out the country. These include Alliance in Texas, Mather in the San Francisco Bay Area, Rickenbacker in Ohio, Global Transport in North Carolina and Willow Run outside of Detroit.

The study is going to be examining what made these all cargo airports successful. After September 11, much of the cargo is now being sent by truck or rail, rather than air. Some of the technology developed for package tracking are now being used by rail and truck carriers.

Alliance in Texas is one of the most interesting cases. This airport is like an 'aerotropolis' with office space, warehousing, housing and school facilities. It is being developed by Hillwood Development Corporation.

Another trend that is being documented is the change from shipping air cargo in belly hold to all cargo aircraft. In the last twenty years there has been a dramatic shift from belly holds to all cargo aircraft. This trend plus others, makes all air cargo airports more feasible.

Current trends in security screening for air cargo could have an impact on the industry. If the regulations require that packages are rigorously screened for both passenger and all cargo aircraft there could be detrimental to the freight forwarding and logistics industries.

6.5 Calexico International Airport Master Plan Update

Mr. Luis Estrada, Calexico International Airport, was unable to attend the meeting. This item will be rescheduled for a future ATAC meeting.

6.6 RTP Amendment Update

Michael Armstrong led the discussion by saying that the SCAG Regional Council met at Lake Arrowhead for the General Assembly on May 2, 2002. One of the items on the agenda was a proposal to take El Toro out of the 2001 Regional Transportation Plan. This was proposed because of Measure W, which changed the zoning of the base from commercial aviation uses to mixed use associated

with a 'great park'. Measure W has also been supported by the Navy in their recent notice of Determination for the El Toro property.

There was overwhelming support to keep El Toro in the plan. After a closed session this was the decision of the Regional Council. Even representatives from the Inland Empire, which would stand to gain from the loss of El Toro, voted to keep El Toro in the RTP.

The speculation for this decision was that the Regional Council spent so much time getting to consensus on the RTP that to change it so quickly could be seen as a premature decision. In addition, because of current litigation the Regional Council felt it would be unwise to remove it from the plan until the case is settled.

If the Navy starts to make definitive action to sell the property the issue of an RTP amendment may be brought up again.

The decision not to take out El Toro does have considerable effects on SCAG Aviation staff activities. The Airspace Analysis which is currently out for RFP will be impacted by this decision. In addition, the Aviation Task Force will have a role in defining new scenarios for the Airspace Analysis and the next RTP. Including El Toro in the analysis will make it much more complicated.

7.0 Action Items

7.1 ATAC Meetings Held Bi-monthly

Ryan Hall began by giving an overview of the last month's action item. At the April ATAC meeting in Chino SCAG staff presented an action item proposing ATAC holding bi-monthly meetings. This would yield greater turnout amongst the airport managers and allow full agendas. However, after discussions with SCAG management, aviation staff recommends that ATAC continue to meet on a monthly basis. This decision was made for two primary reasons:

- With aviation legislation and news being released frequently, information could easily be stale by the time that it reaches ATAC if the Committee meets only bi-monthly.
- The Aviation Task Force may be resurrected and may need technical input from ATAC.

8.0 Legislative Report

8.1 Significant Aviation related Legislation before the California Legislature

Mr. Ryan Hall of SCAG staff gave ATAC an update on AB 2333. This legislation was presented to ATAC at the March 2002 meeting in Long Beach. This Bill rewards counties that fill their “fair share” of aviation demand. It only applies to the four urbanized counties in the SCAG region (Los Angeles, Orange, Riverside, San Bernardino). The Bill authorized the Southern California Regional Airport Authority (SCRAA) to enforce this.

SCAG’s position is to oppose unless amended. The Bill has been changed so that the SCAG is now the watchdog and not the SCRAA. In addition, the counties are now rewarded for fulfilling their fair share, rather than penalized. SCAG has not released a revised position.

8.2 Significant Aviation related legislation before the United States Legislature

Mr. Ryan Hall talked about HR 4481 which was introduced to the House of Representatives on April 18, 2002.

The legislation is adding sections to Chapter 471 of Title 49 of the United States Code to streamline the review process for capacity enhancement projects. This ‘streamlining’ process is based on the Secretary of Transportation becoming a watchdog for all project stakeholders. The legislation calls for coordinated review of environmental reviews, permits, licenses, etc.

The Secretary is in charge of this coordination between parties and additionally is responsible for determining reasonable alternatives. All agencies must follow the Secretary’s alternatives. The Secretary will also set deadlines for stakeholders to meet in the implementation process. If a group does not meet a deadline they must make a report to the Committee on Transportation and Infrastructure.

Overall this legislation attempts to ‘streamline’ the process by giving the Secretary of Transportation power in most steps of the planning process. This legislation is very different from Senate Bill 633 which was discussed at the March 14 ATAC meeting. While S 633 gives the DOT power to say where expansion should occur, HR 4481 gives the DOT (through the Secretary) the power to speed up the implementation process.

These two pieces of legislation are forming a trend: there is a movement to shift the power of planning for aviation and implementation to the federal level. HR 4481 is almost brand new to the review process so its success is uncertain but the trend is still very apparent. The federal government seems to be growing less tolerant of ‘weak links’ in the U.S. aviation system. There are positive and negative points to this action.

- There will be little benefit in having an efficient regional airport system if all flights are delayed because of capacity issues at key hub airports. No matter

how good the airport system in Southern California is it won't make any difference unless other regions are also improving capacity issues.

- At the same time, if the federal government intervenes on the regional level there could be uninformed and rush decisions made. This could also supersede local airport authorities planning power.

The outcome of the legislation is still unclear but the message from the federal level is very clear- enhance capacity in a timely manner.

Some ATAC members had questions about legislation that was discussed at previous ATAC meetings. Ryan Hall said he would find out current information and present it at the next ATAC meeting.

9.0 Miscellaneous Items

9.1 Press Clippings

There were no comments on the press clippings included in the agenda packet.

10.0 Public Comment Period

There were no public comments.

11.0 Set Next Meeting Location and Topics for Discussion

The next meeting is Thursday June 13 at Camarillo Airport from 10am to 12Noon.

- SCAG staff will give an update/brainstorming on the Corporate Aviation Study.

12.0 Adjournment

Chris Kunze adjourned the meeting at 11:55am.